

FRANCHISE DISCLOSURE DOCUMENT



Age Advantage Home Care Franchising, Inc.
A California corporation
1810 Gillespie Way, Suite 202
El Cajon, CA 92020
www.ageadvantage.com
franchise@ageadvantage.com
(619) 433-0141

"Age Advantage" businesses are in home care agencies that provide various in-home non-medical care and personal assistance services to elderly persons using our business system and the "Age Advantage" trademarks. Care Services include companion care, and personal care, and such other Services that we may designate or approve.

The estimated total investment necessary to begin operation of an Age Advantage Office is \$59,830 - \$103,000. This includes \$35,000 that you must pay to us.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Greg Archer, Age Advantage Home Care Franchising, Inc., 1810 Gillespie Way, Suite 202, El Cajon, CA 92020, (619) 433-0141.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

The issuance date of this Franchise Disclosure Document is April 17, 2013 ~~11, 2014~~.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit B for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN CALIFORNIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH THE FRANCHISOR IN CALIFORNIA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF CALIFORNIA GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE ARE MINIMUM PERFORMANCE STANDARDS AND FAILURE TO MEET THESE MAY RESULT IN LOSS OF YOUR TERRITORIAL RIGHTS AND TERMINATION OF YOUR FRANCHISE.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$59,000 to \$103,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2013~~2012~~, WHICH IS REPORTED TO BE A DEFICIT OF \$283,906~~312,648~~. THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND ITS PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.
- ~~5. AS PER THE AUDITED BALANCE SHEET AS OF DECEMBER 31, 2012, THE FRANCHISOR HAD A WORKING CAPITAL DEFICIENCY OF \$283,906.~~
6. YOU MUST PAY MINIMUM ANNUAL ROYALTIES (MEASURED PER 100,000 POPULATION IN YOUR TERRITORY) OF \$1,200 IN YOUR SECOND YEAR OF OPERATIONS, INCREASING TO \$2,400, \$3,600, \$4,800 AND \$6,000 IN THE THIRD, FOURTH, FIFTH, AND SIXTH THROUGH TENTH YEARS, RESPECTIVELY, EVEN IF THE FRANCHISE HAS NO REVENUE.
- ~~7~~6. IF WE TERMINATE THE FRANCHISE BECAUSE OF YOUR DEFAULT, YOU MUST PAY US LIQUIDATED DAMAGES CALCULATED AS YOUR AVERAGE ROYALTY FEE AND ADVERTISING OBLIGATIONS (DURING THE PREVIOUS 36 MONTHS) MULTIPLIED BY THE LESSER OF 36 MONTHS OR THE NUMBER OF MONTHS REMAINING IN THE TERM OF YOUR FRANCHISE AGREEMENT.
- ~~8~~7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Local law may supersede these franchise agreement provisions. Certain states require the superseding provisions to appear in an addendum in this disclosure document (see Exhibits G and H).

We use the services of one or more **FRANCHISE BROKERS** or referral sources to assist us in selling our franchises. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

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